

CHAPTER 10

HUMAN SERVICES - SOCIAL SERVICES

HOUSE BILL 20B-1002

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 also SENATOR(S) Pettersen and Sonnenberg, Priola, Bridges, Cooke, Crowder, Danielson, Donovan, Fenberg, Fields, Foote, Gardner, Ginal, Gonzales, Hansen, Hisey, Holbert, Lee, Moreno, Rankin, Scott, Smallwood, Story, Tate, Todd, Williams A., Winter, Zenzinger, Garcia.

AN ACT

CONCERNING THE CREATION OF COVID-19 EMERGENCY RELIEF GRANT PROGRAMS FOR THE CHILD CARE SECTOR, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** part 8 to article 6 of title 26 as follows:

**PART 8
EMERGENCY RELIEF GRANT PROGRAMS**

26-6-801. Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) COLORADO'S ECONOMIC RECOVERY DEPENDS ON ITS WORKFORCE HAVING ACCESS TO STABLE, HIGH-QUALITY, AND AFFORDABLE CHILD CARE. SUPPORTING THE ABILITY OF COLORADO'S WORKFORCE TO RETURN TO WORK DURING AND AFTER THE COVID-19 PUBLIC HEALTH EMERGENCY IS ESTIMATED TO HAVE AN ECONOMIC ENABLING EFFECT OF MORE THAN FOUR BILLION FOUR HUNDRED MILLION DOLLARS IN INCOME.

(b) THE COVID-19 PUBLIC HEALTH EMERGENCY HAS SIGNIFICANTLY IMPACTED COLORADO'S CHILD CARE SECTOR BY REDUCING CHILD CARE PROVIDER REVENUES WHILE AT THE SAME TIME INCREASING EXPENSES. CHILD CARE PROVIDER OPERATING

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

COSTS HAVE INCREASED TO INCLUDE ADDITIONAL DAILY CLEANING, DAILY HEALTH MONITORING, SUPPLYING PERSONAL PROTECTIVE EQUIPMENT FOR CHILD CARE WORKERS, AND LOWER STAFF-TO-CHILD RATIOS TO ALLOW FOR SUFFICIENT PHYSICAL DISTANCING.

(c) IN COLORADO, THIS ADDITIONAL COST BURDEN HAS FORCED TEN PERCENT OF THE STATE'S CHILD CARE PROVIDERS TO CLOSE THEIR DOORS SINCE MARCH 2020. ALMOST THREE-QUARTERS OF ALL CHILD CARE PROVIDERS INDICATE THEY HAVE OR WILL ENGAGE IN LAYOFFS, FURLOUGHS, OR PAY CUTS. FOR MINORITY-OWNED OR OPERATED CHILD CARE PROVIDERS, THIS FIGURE IS EVEN HIGHER. MORE THAN TWENTY-FIVE PERCENT OF EXISTING CHILD CARE PROVIDERS REPORT THAT CLOSURE IS IMMINENT WITHOUT SOME KIND OF FINANCIAL INTERVENTION.

(d) CHILD CARE PROVIDERS GENERATE REVENUE PRIMARILY THROUGH ENROLLMENT AND TUITION FEES AND THE BUSINESS MODEL DEPENDS ON FULL ENROLLMENT;

(e) AT EVERY STAGE OF THE COVID-19 PUBLIC HEALTH EMERGENCY, PARENTS HAVE BEEN FACED WITH THE DIFFICULT CHOICE TO PULL THEIR CHILDREN FROM CHILD CARE, EITHER DUE TO HEALTH CONCERNS OR BECAUSE THE ECONOMIC RECESSION HAS IMPACTED THEIR ABILITY TO AFFORD IT. STATEWIDE, ENROLLMENT IN CHILD CARE FOR CHILDREN LESS THAN FIVE YEARS OF AGE HAS DECREASED BY THIRTY-NINE PERCENT SINCE THE COVID-19 PUBLIC HEALTH EMERGENCY BEGAN.

(f) COLORADO FACES OTHER ONGOING THREATS TO THE CHILD CARE SECTOR'S SUSTAINABILITY, INCLUDING HIGH TURNOVER AND LOW PAY IN THE CHILD CARE PROFESSION, AS WELL AS THE PROHIBITIVELY EXPENSIVE COST OF OPENING AND OPERATING A CHILD CARE PROGRAM;

(g) MORE THAN HALF OF COLORADANS LIVE IN A "CHILD CARE DESERT", WHERE THERE ARE MORE THAN THREE CHILDREN LESS THAN FIVE YEARS OF AGE FOR EACH SINGLE AVAILABLE CHILD CARE OPENING. SOME RURAL AREAS COMPLETELY LACK LICENSED CHILD CARE PROVIDERS. STATEWIDE, COLORADO FACES A DRAMATIC SHORTAGE OF AT LEAST THIRTY-NINE THOUSAND SPOTS FOR INFANTS AND TODDLERS.

(h) MOST CHILD CARE IN COLORADO IS OWNED OR OPERATED BY WOMEN, AND MORE THAN FORTY PERCENT OF OUR CHILD CARE WORKFORCE IS COMPOSED OF WOMEN OF COLOR. FURTHERMORE, THROUGHOUT THE COVID-19 PUBLIC HEALTH EMERGENCY, WOMEN OF COLOR HAVE BEEN MORE LIKELY TO BE ON THE FRONT LINES AS ESSENTIAL WORKERS AND ARE MORE LIKELY TO LOSE THEIR JOBS.

(i) DESPITE WOMEN'S STEADILY INCREASING LABOR PARTICIPATION RATES AND EARNING TRAJECTORIES OVER THE PAST TWENTY-FIVE YEARS, THE COVID-19 PUBLIC HEALTH EMERGENCY THREATENS TO SET BACK A GENERATION OF PROGRESS. WHEN WOMEN EXIT THE WORKFORCE, THEY FACE MORE BARRIERS THAN MEN DO TO RETURN, AND THEIR FUTURE EARNING POTENTIAL AND PATH TO RETIREMENT SECURITY SUFFERS.

(j) WOMEN HAVE BEEN DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY: ALMOST ONE HUNDRED SEVENTY-NINE THOUSAND WOMEN LEFT COLORADO'S LABOR FORCE BETWEEN FEBRUARY AND MAY 2020,

COMPARED TO EIGHTY-EIGHT THOUSAND MEN. NATIONALLY, FOUR TIMES AS MANY WOMEN AS MEN DROPPED OUT OF THE LABOR FORCE IN SEPTEMBER 2020 ALONE. THE IMPACT OF THIS TREND ON THE UNITED STATES' ECONOMY AND THE WELL-BEING OF WOMEN AND FAMILIES IS ESTIMATED TO AMOUNT TO APPROXIMATELY SIXTY-FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS IN LOST INCOME AND ECONOMIC ACTIVITY.

(2)(a) THEREFORE, THE GENERAL ASSEMBLY FINDS IT IS A MATTER OF STATEWIDE CONCERN THAT WE TAKE IMMEDIATE ACTION TO SAVE AND PROTECT OUR CHILD CARE INFRASTRUCTURE. DOING SO ENABLES THE STATE TO INVEST IN ITS CHILDREN'S FUTURES, ADVANCE GENDER EQUITY IN THE HOME AND THE WORKPLACE, AND REBUILD AN ECONOMY THAT WORKS FOR ALL COLORADANS. WHEN COLORADO FAMILIES HAVE ACCESS TO CHILD CARE, EVERYONE BENEFITS.

(b) THE GENERAL ASSEMBLY FURTHER FINDS THAT, TO ASSIST THE STATE'S WORKFORCE IN RETURNING TO WORK AND MAINTAINING EMPLOYMENT WITHOUT FACING THE DIFFICULT CHOICE BETWEEN WORKING AND ACCESSING QUALITY CHILD CARE, IT IS CRITICAL THAT THE STATE ALLOCATE AND QUICKLY DISTRIBUTE FUNDING TO EXISTING AND NEW CHILD CARE PROVIDERS THROUGHOUT THE STATE.

26-6-802. Child care sustainability grant program - created - timeline and criteria - grant awards - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CHILD CARE PROVIDER" MEANS A CHILD CARE CENTER, AS DEFINED IN SECTION 26-6-102 (5), OR A FAMILY CHILD CARE HOME, AS DEFINED IN SECTION 26-6-102 (13), THAT HOLDS AN OPEN LICENSE IN GOOD STANDING WITH THE STATE DEPARTMENT.

(b) "ELIGIBLE ENTITY" MEANS A LICENSED CHILD CARE PROVIDER OR A NEIGHBORHOOD YOUTH ORGANIZATION, AS DEFINED IN SECTION 26-6-102 (26), THAT IS OPEN AND OPERATING.

(c) "GRANT PROGRAM" MEANS THE CHILD CARE SUSTAINABILITY GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(d) "OPEN AND OPERATING" MEANS AN ELIGIBLE ENTITY THAT IS ACTIVELY PROVIDING SERVICES OR CARE FOR CHILDREN AND THAT HAS UPDATED ITS OPERATIONAL STATUS WITH THE STATE DEPARTMENT'S CHILD CARE LICENSING AND ADMINISTRATION UNIT.

(2) THE CHILD CARE SUSTAINABILITY GRANT PROGRAM IS CREATED IN THE STATE DEPARTMENT. THE PURPOSE OF THE GRANT PROGRAM IS TO ADDRESS THE EXTENT TO WHICH REDUCED ENROLLMENT AND INCREASED COSTS ARE IMPACTING THE SUSTAINABILITY OF LICENSED CHILD CARE IN COLORADO, INCLUDING LICENSED CHILD CARE CAPACITY AND QUALITY LEVEL. THE GRANT PROGRAM WILL PROVIDE FINANCIAL SUPPORT TO ELIGIBLE ENTITIES, INCLUDING THOSE THAT ARE IN DANGER OF CLOSING.

(3) THE STATE DEPARTMENT SHALL CREATE A PROCESS FOR SOLICITING, VETTING, AWARDING, AND MONITORING GRANTS, PURSUANT TO THE SOLE SOURCE

PROCUREMENT AUTHORITY SPECIFIED IN SECTION 24-103-205.

(4) (a) THE STATE DEPARTMENT SHALL DEVELOP A FORMULA TO ALLOCATE MONEY FROM THE GRANT PROGRAM TO ALL ELIGIBLE ENTITIES. THE KEY CRITERIA FOR A GRANT AWARD TO AN ELIGIBLE ENTITY IS THE ELIGIBLE ENTITY'S LICENSED CHILD CARE CAPACITY. IN DETERMINING GRANT AWARDS, THE DEPARTMENT SHALL ALSO TAKE INTO CONSIDERATION THE CRITERIA SET FORTH IN SUBSECTION (4)(b) OF THIS SECTION. THE STATE DEPARTMENT IS RESPONSIBLE FOR COMMUNICATING IMPORTANT DATES AND THE CRITERIA FOR GRANT AWARDS TO ELIGIBLE ENTITIES IN THE STATE. GRANT AWARDS MUST RANGE FROM AT LEAST FIVE HUNDRED DOLLARS TO NO MORE THAN THIRTY-FIVE THOUSAND DOLLARS.

(b) THE STATE DEPARTMENT SHALL CONSIDER, AT A MINIMUM:

(I) AWARDING GRANTS TO A WIDE ARRAY OF ELIGIBLE ENTITIES OF VARYING TYPES AND SIZES;

(II) ENSURING THAT THE GRANT MONEY GOES DIRECTLY TO ELIGIBLE ENTITIES LOCATED IN A VARIETY OF REGIONS THROUGHOUT THE STATE;

(III) REQUIRING THAT THE ELIGIBLE ENTITY HAS PROVIDED WRITTEN COMMITMENT TO SUBMIT ANY REPORTS REQUIRED BY THE STATE DEPARTMENT;

(IV) SUPPORTING, AS MUCH AS POSSIBLE, ELIGIBLE ENTITIES THAT ARE NOT ALREADY FULLY SUPPORTED THROUGH EXISTING STATE OR FEDERAL FUNDS, SUCH AS THE HEAD START PROGRAM, AS DEFINED IN SECTION 26-2-802.5 (4), OR THE COLORADO PRESCHOOL PROGRAM, CREATED IN ARTICLE 28 OF TITLE 22; AND

(V) CONSIDERING AN ELIGIBLE ENTITY'S QUALITY RATING THROUGH THE COLORADO SHINES SYSTEM, ESTABLISHED IN SECTION 26-6.5-106 (5).

(5) THE DEPARTMENT SHALL DETERMINE GRANT AWARD AMOUNTS FOR ELIGIBLE ENTITIES AS SOON AS POSSIBLE, BUT NO LATER THAN JANUARY 31, 2021, AND DISTRIBUTE THE MONEY FOR GRANT AWARDS NO LATER THAN FEBRUARY 28, 2021.

(6) THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2023.

26-6-803. Emerging and expanding child care grant program - created - timeline and criteria - grant awards - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CHILD CARE CENTER" HAS THE SAME MEANING AS SET FORTH IN SECTION 26-6-102 (5).

(b) "CHILD CARE DESERT" MEANS A COMMUNITY OR AREA IN THE STATE WHERE THERE ARE MORE THAN THREE CHILDREN LESS THAN FIVE YEARS OF AGE FOR EACH SINGLE AVAILABLE CHILD CARE SLOT.

(c) "CHILD CARE PROVIDER" OR "PROVIDER" MEANS A CHILD CARE CENTER OR A FAMILY CHILD CARE HOME THAT HOLDS AN OPEN LICENSE IN GOOD STANDING WITH THE STATE DEPARTMENT.

(d) "EARLY CHILDHOOD COUNCIL" MEANS AN EARLY CHILDHOOD COUNCIL IDENTIFIED OR ESTABLISHED LOCALLY IN COMMUNITIES THROUGHOUT THE STATE PURSUANT TO SECTION 26-6.5-103 OR 26-6.5-106.

(e) "ELIGIBLE ENTITY" MEANS A LICENSED CHILD CARE PROVIDER THAT IS OPEN AND OPERATING OR AN APPLICANT ACTIVELY PURSUING A CHILD CARE PROVIDER LICENSE THROUGH THE STATE DEPARTMENT'S CHILD CARE LICENSING AND ADMINISTRATION UNIT. "ELIGIBLE ENTITY" INCLUDES FAMILY, FRIENDS, OR NEIGHBORS WHO PROVIDE LICENSE-EXEMPT CHILD CARE PURSUANT TO THIS ARTICLE 6, BUT WHO ARE ACTIVELY OBTAINING A LICENSE THROUGH THE STATE DEPARTMENT'S CHILD CARE LICENSING AND ADMINISTRATION UNIT.

(f) "EXPANSION" MEANS LICENSED CHILD CARE CAPACITY EXPANSION, BY ANY MEANS, FOR AN EXISTING LICENSED CHILD CARE PROVIDER.

(g) "FAMILY CHILD CARE HOME" HAS THE SAME MEANING AS SET FORTH IN SECTION 26-6-102 (13).

(h) "GRANT PROGRAM" MEANS THE EMERGING AND EXPANDING CHILD CARE GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(i) "OPEN AND OPERATING" MEANS A CHILD CARE PROVIDER THAT IS ACTIVELY PROVIDING CARE FOR CHILDREN AND THAT HAS UPDATED ITS OPERATIONAL STATUS WITH THE STATE DEPARTMENT'S CHILD CARE LICENSING AND ADMINISTRATION UNIT.

(2)(a) THE EMERGING AND EXPANDING CHILD CARE GRANT PROGRAM IS CREATED IN THE STATE DEPARTMENT. THE PURPOSE OF THE GRANT PROGRAM IS TO EXPAND ACCESS AND AVAILABILITY OF LICENSED CHILD CARE THROUGHOUT THE STATE.

(b) AN AWARD FROM THE GRANT PROGRAM MAY BE USED FOR COSTS ASSOCIATED WITH EXPANDING AN OPEN AND OPERATING CHILD CARE CENTER OR FAMILY CHILD CARE HOME OR TO ASSIST AN ELIGIBLE ENTITY WITH START UP OF A NEW CHILD CARE CENTER OR FAMILY CHILD CARE HOME. COSTS MAY INCLUDE, BUT ARE NOT LIMITED TO, STAFF TRAINING, BACKGROUND CHECK FEES, CLEANING SUPPLIES, EDUCATIONAL SUPPLIES, AND CAPITAL AND FACILITY IMPROVEMENT COSTS.

(3) THE STATE DEPARTMENT SHALL CREATE A PROCESS FOR SOLICITING, VETTING, AWARDING, AND MONITORING GRANTS THROUGH STATEWIDE EARLY CHILDHOOD COUNCILS.

(4)(a) ON OR BEFORE JANUARY 2, 2021, THE STATE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR AN ELIGIBLE ENTITY TO FOLLOW WHEN REQUESTING A GRANT FROM THE GRANT PROGRAM. THE APPLICATION MUST INCLUDE THE AWARD CRITERIA SET FORTH IN SUBSECTION (4)(c) OF THIS SECTION AND ANY APPLICABLE TIMELINES ESTABLISHED BY THE STATE DEPARTMENT. THE STATE DEPARTMENT SHALL AWARD GRANTS TO AN ELIGIBLE ENTITY BASED ON THE ELIGIBLE ENTITY'S NEED AS WELL AS THE APPLICATION CRITERIA SET FORTH IN SUBSECTION (4)(c) OF THIS SECTION.

(b) A GRANT AWARD MUST RANGE FROM AT LEAST THREE THOUSAND DOLLARS TO NO MORE THAN FIFTY THOUSAND DOLLARS. IN AWARDING A GRANT, THE STATE

DEPARTMENT SHALL USE THE APPLICANT'S EXISTING OR PROPOSED LICENSED CHILD CARE CAPACITY, AS WELL AS THE APPLICANT'S NEED, AS KEY CRITERIA IN DETERMINING THE AMOUNT OF THE GRANT AWARD.

(c) IN DETERMINING GRANT AWARDS, THE STATE DEPARTMENT SHALL CONSIDER ELIGIBLE ENTITIES LOCATED IN A CHILD CARE DESERT. THE STATE DEPARTMENT SHALL ALSO CONSIDER ELIGIBLE ENTITIES THAT HAVE OR ARE ACTIVELY PURSUING:

(I) A FISCAL AGREEMENT WITH THE COLORADO CHILD CARE ASSISTANCE PROGRAM, CREATED IN PART 8 OF ARTICLE 2 OF THIS TITLE 26;

(II) A COMMITMENT TO ENGAGING IN QUALITY IMPROVEMENT ACTIVITIES THROUGH THE COLORADO SHINES SYSTEM, ESTABLISHED IN SECTION 26-6.5-106(5), WITHIN EIGHTEEN MONTHS OF RECEIPT OF THEIR GRANT AWARD;

(III) A MEMORANDUM OF UNDERSTANDING IN PLACE WITH THEIR EARLY CHILDHOOD COUNCIL TO ENSURE SUPPORT FROM THE COUNCIL; AND

(IV) AN APPLICATION TO THE STATE DEPARTMENT'S CHILD CARE LICENSING AND ADMINISTRATION UNIT AND ARE WORKING WITH THEIR LICENSING SPECIALIST TO DETERMINE CAPITAL OR FACILITY IMPROVEMENT OR EXPANSION NEEDS AND OPPORTUNITIES.

(d) ELIGIBLE ENTITIES THAT ARE APPLYING FOR A GRANT AWARD SHALL:

(I) PROVIDE ASSURANCE TO THE STATE DEPARTMENT THAT ZONING, FIRE, AND, IF APPLICABLE, HEALTH APPROVAL ARE UNDERWAY PRIOR TO RECEIVING GRANT FUNDING; AND

(II) PROVIDE A WRITTEN COMMITMENT TO SUBMIT ANY REPORTS REQUIRED BY THE STATE DEPARTMENT TO DEMONSTRATE PROGRESS TOWARD SUCCESSFUL LICENSING OR EXPANSION THROUGH THE STATE DEPARTMENT'S LICENSING AND ADMINISTRATION UNIT.

(5) ON OR BEFORE JANUARY 31, 2021, OR AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS SECTION, THE STATE DEPARTMENT SHALL BEGIN THE GRANT AWARD PROCESS TO ELIGIBLE ENTITIES.

(6) THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2023.

SECTION 2. Appropriation. (1) For the 2020-21 state fiscal year, \$45,016,340 is appropriated to the department of human services for use by the office of early childhood. This appropriation is from the general fund. To implement this act, the office of early childhood may use this appropriation as follows:

(a) \$432,961 for administration, which amount is based on an assumption that the office will require an additional 1.2 FTE. Money appropriated in this subsection (1)(a) not expended prior to July 1, 2021, is further appropriated to the department of human services for use by the office of early childhood for the 2021-22 state fiscal year for the same purpose.

(b) (I) \$34,806,917 for the child care sustainability grant program created in section 26-6-802, C.R.S.

(II) Up to \$300,000 of any appropriation made pursuant to subsection (1)(b)(I) of this section for state fiscal year 2020-21 for the child care sustainability grant program created in section 26-6-802, C.R.S., must be made available to neighborhood youth organizations.

(c) \$8,751,329 for the emerging and expanding child care grant program created in section 26-6-803, C.R.S. Money appropriated in this subsection (1)(c) not expended prior to July 1, 2021, is further appropriated to the department of human services for use by the office of early childhood for the 2021-22 state fiscal year for the same purpose.

(d) \$875,133 for early childhood councils, as defined in section 26-6.5-101.5 (2), C.R.S., in support of the emerging and expanding child care grant program created in section 26-6-803, C.R.S. Money appropriated in this subsection (1)(d) not expended prior to July 1, 2021, is further appropriated to the department of human services for use by the office of early childhood for the 2021-22 state fiscal year for the same purpose.

(e) \$150,000 for linguistic and culturally competent outreach and technical application assistance in support of the emerging and expanding child care grant program created in section 26-6-803, C.R.S.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: December 7, 2020